



Texas Department of Insurance
Division of Workers' Compensation
Medical Fee Dispute Resolution, MS-48
7551 Metro Center Drive, Suite 100 • Austin, Texas 78744-1609

MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

PART I: GENERAL INFORMATION

Requestor Name and Address: OXMED INC PO BOX 972557 DALLAS TX 75397-2557	MFDR Tracking #: M4-03-9120-01
	DWC Claim #:
	Injured Employee:
Respondent Name and Box #: AMERICAN CASUALTY CO OF READING PA Box #: 47	Date of Injury:
	Employer Name:
	Insurance Carrier #:

PART II: REQUESTOR'S POSITION SUMMARY AND PRINCIPAL DOCUMENTATION

Requestor's Rationale for Increased Reimbursement: "We feel that we are due our full billed amount for the equipment provided to this patient. The carrier has incorrectly reviewed this claim and has paid this claim at a reduced rate. We have provided this carrier with examples of payments in full for the same type of billed service. These items are billed at a fair & reasonable rate according to the Commission Rules and Fee Guidelines. These claim items were submitted based on the 1991 Fee Guidelines and should have been paid accordingly. We have provided the carrier with examples of payments in full to substantiate the amount billed on the HCFA-1500 and are now requesting the remaining amount to be paid in **Full** with accrued interest."

Principal Documentation:

1. DWC 60 Package
2. Medical Bill(s)
3. EOB(s)
4. Total Amount Sought - \$532.11

PART III: RESPONDENT'S POSITION SUMMARY AND PRINCIPAL DOCUMENTATION

Respondent's Position Summary: The respondent did not submit a response to this request for medical fee dispute resolution.

PART IV: SUMMARY OF FINDINGS

Date(s) of Service	Denial Code(s)	Disputed Service	Amount in Dispute	Amount Due
9/5/2002	M	E1399	\$180.00	\$0.00
9/10/2002	No EOBs Submitted	E0781	\$174.11	\$0.00
		E0236	\$87.67	\$83.87
		E0114	\$74.40	\$0.00
		E0105	\$15.93	\$15.93
Total Due:				\$99.80

PART V: REVIEW OF SUMMARY, METHODOLOGY AND EXPLANATION

This medical fee dispute is decided pursuant to Tex. Lab. Code Ann. §413.031 of the Texas Workers' Compensation Act, and pursuant to all applicable, adopted rules of the Texas Department of Insurance, Division of Workers' Compensation.

Background.

1. This request for medical fee dispute resolution was received by the Division on August 1, 2003. Pursuant to Division rule at 28 TAC §133.307(g)(3), effective January 1, 2003, applicable to disputes filed on or after January 1, 2003, the Division notified the requestor on August 6, 2003 to send additional documentation relevant to the fee dispute as set forth in the rule.

2. Texas Labor Code §413.011(a-d), titled *Reimbursement Policies and Guidelines*; Division rule at 28 Texas Administrative Code §134.1, titled *Use of the Fee Guidelines*, effective May 16, 2002; and Division rule at 28 Texas Administrative Code §134.201, titled *Medical Fee Guideline for Medical Treatments and Services Provided Under the Texas Workers' Compensation Act*, effective April 1, 1996, set out the reimbursement guidelines.
3. Division rule at 28 TAC §134.1, effective May 16, 2002, 27 TexReg 4047, which requires that "Reimbursement for services not identified in an established fee guideline shall be reimbursed at fair and reasonable rates as described in the Texas Workers' Compensation Act, §413.011 until such period that specific fee guidelines are established by the commission."
4. Texas Labor Code §413.011(d), requires that fee guidelines must be fair and reasonable and designed to ensure the quality of medical care and to achieve effective medical cost control. The guidelines may not provide for payment of a fee in excess of the fee charged for similar treatment of an injured individual of an equivalent standard of living and paid by that individual or by someone acting on that individual's behalf. It further requires that the Division consider the increased security of payment afforded by the Act in establishing the fee guidelines.
5. Division rule at 28 TAC §134.201, titled *Medical Fee Guideline for Medical Treatments and Services Provided Under the Texas Workers' Compensation Act*, effective April 1, 1996, DURABLE MEDICAL EQUIPMENT (DME) GROUND RULE IV, titled Nonlisted Items and Documentation of Procedure states that "This document does not contain a specific MAR for DME items. The DME items should be billed at the usual and customary rate of the DME provider, and the insurance carrier shall reimburse the DME provider at an amount pre-negotiated between the provider and carrier, or, if there is no pre-negotiated amount, the fair and reasonable rate for the item described. Use the miscellaneous HCPCS code, E1399, when no other HCPCS code is present for the DME or supplies provided to the injured worker. When using E1399, a description of the unlisted equipment/supply is required."
6. Division rule at 28 TAC §134.201, titled *Medical Fee Guideline for Medical Treatments and Services Provided Under the Texas Workers' Compensation Act*, effective April 1, 1996, DURABLE MEDICAL EQUIPMENT (DME) GROUND RULE IX. A, titled Billing, states that "A statement of medical necessity, along with the order or prescription appropriate for the equipment/supplies shall accompany initial claims for the rental or purchase of DME. Any verbal order given by the doctor to the DME provider shall be followed by a written prescription or order prior to billing for the DME equipment/supplies."
7. Division rule at 28 TAC §134.201, titled *Medical Fee Guideline for Medical Treatments and Services Provided Under the Texas Workers' Compensation Act*, effective April 1, 1996, DURABLE MEDICAL EQUIPMENT (DME) GROUND RULE IX. C, titled Billing, states that "The provider shall use the HCFA-1500 Form for billing. Invoices should be billed at the provider's usual and customary rate. Reimbursement shall be an amount pre-negotiated between the provider and carrier of there is no pre-negotiated amount, the fair and reasonable rate. A fair and reasonable reimbursement shall be the same as the fees set for the 'D' codes in the 1991 Medical Fee Guideline."
8. Division rule at 28 TAC §133.307(e)(2)(A), effective January 1, 2003, 27 TexReg 12282, applicable to disputes filed on or after January 1, 2003, requires that the request shall include "a copy of all medical bill(s) as originally submitted to the carrier for reconsideration..."
9. Division rule at 28 TAC §133.307(e)(2)(B), effective January 1, 2003, 27 TexReg 12282, applicable to disputes filed on or after January 1, 2003, requires that the request shall include "a copy of each explanation of benefits (EOB)... relevant to the fee dispute or, if no EOB was received, convincing evidence of carrier receipt of the provider request for an EOB."
10. Division rule at 28 TAC §133.307(g)(3)(B), effective January 1, 2003, 27 TexReg 12282, applicable to disputes filed on or after January 1, 2003, requires the requestor to send additional documentation relevant to the fee dispute including "a copy of any pertinent medical records." The Division concludes that the requestor has not provided documentation sufficient to meet the requirements of Division rule at 28 TAC §133.307(g)(3)(B).
11. Division rule at 28 TAC §133.307(g)(3)(C)(iv), effective January 1, 2003, 27 TexReg 12282, applicable to disputes filed on or after January 1, 2003, requires the requestor to send additional documentation relevant to the fee dispute including a statement of the disputed issue(s) that shall include "how the submitted documentation supports the requestor position for each disputed fee issue."
12. Division rule at 28 TAC §133.307(g)(3)(D), effective January 1, 2003, 27 TexReg 12282, applicable to disputes filed on or after January 1, 2003, requires the requestor to provide "documentation that discusses, demonstrates, and justifies that the payment amount being sought is a fair and reasonable rate of reimbursement."
13. For HCPCS code E1399 involved in this dispute, the respondent reduced or denied payment with reason code:
 - M-No MAR

Issues

1. Was the dispute filed in the form and manner prescribed under Division rules at 28 Texas Administrative Code sections §133.307(e)(2)(B), §133.307(g)(3)(B), and §133.307(g)(3)(C)?
2. Did the parties support position that a pre-negotiated amount existed between the parties for the disputed HCPCS codes per Division rule at 28 TAC §134.201, DME GROUND RULE IV?
3. Did the provider submit a description of HCPCS code E1399 in accordance with Division rule at 28 TAC §134.201 DME GROUND RULE (IV)? Does HCPCS code E1399 have a MAR? Is the requestor entitled to reimbursement?
4. Does HCPCS code E0781 have a MAR? Is the requestor entitled to additional reimbursement?
5. Does HCPCS code E0236 have a MAR? Is the requestor entitled to additional reimbursement?
6. Does HCPCS code E0114 have a MAR? Is the requestor entitled to additional reimbursement?
7. Does HCPCS code E0105 have a MAR? Is the requestor entitled to additional reimbursement?

Findings

1. Review of the documentation submitted by the requestor finds that the request does not include any EOBs for the disputed services billed under HCPCS codes E0781, E0236, E0114 and E0105. Neither has the requestor submitted convincing evidence of carrier receipt of the provider request for an EOB. The Division concludes that the requestor has failed to complete the required sections of the request in the form, format and manner prescribed under Division rule at 28 TAC §133.307(e)(2)(B).

The Division concludes that the requestor has not provided any medical records sufficient to meet the requirements of Division rule at 28 TAC §133.307(g)(3)(B).

Review of the submitted documentation finds that the requestor did not state how the submitted documentation supports the requestor's position for each disputed fee issue. The Division concludes that the requestor has not provided documentation sufficient to meet the requirements of Division rule at 28 TAC §133.307(g)(3)(C)(iv).

2. Review of the documentation submitted by the parties to this dispute finds no documentation to support that an amount was pre-negotiated between the provider and carrier for the disputed HCPCS codes; therefore, the insurance carrier shall reimburse the provider the fair and reasonable rate for the item described per Division rule at 28 TAC §134.201 DME GROUND RULE IV.
3. HCPCS code E1399 is described as "Durable Medical Equipment, miscellaneous". The requestor noted on the medical bill that HCPCS code E1399 was for a shower bench. Therefore, the requestor submitted a descriptor in accordance with Division rule at 28 TAC §134.201 DME GROUND RULE (IV).

Division rule at 28 TAC §134.201, DME GROUND RULE IX, C, titled Billing states fair and reasonable rate will be the fees set in the 1991 MFG. A review of the 1991 MFG does not contain a HCPCS code for a shower bench; therefore, this HCPCS code is applicable to fair and reasonable reimbursement.

Division rule at 28 TAC §133.307(g)(3)(D), requires the requestor to provide "documentation that discusses, demonstrates, and justifies that the payment amount being sought is a fair and reasonable rate of reimbursement." Review of the submitted documentation finds that:

- The requestor's rationale for increased reimbursement from the Table of Disputed Services states that "We feel that we are due our full billed amount for the equipment provided to this patient. The carrier has incorrectly reviewed this claim and has paid this claim at a reduced rate. We have provided this carrier with examples of payments in full for the same type of billed service. These items are billed at a fair & reasonable rate according to the Commission Rules and Fee Guidelines. These claim items were submitted based on the 1991 Fee Guidelines and should have been paid accordingly. We have provided the carrier with examples of payments in full to substantiate the amount billed on the HCFA-1500 and are now requesting the remaining amount to be paid in **Full** with accrued interest."
- The requestor does not discuss or explain how payment of \$180.00 for HCPCS E1399 would result in a fair and reasonable reimbursement.
- The requestor did not submit documentation to support that the payment amount being sought is a fair and reasonable rate of reimbursement.
- The requestor does not discuss or explain how payment of the requested amount would ensure the quality of medical care, achieve effective medical cost control, provide for payment that is not in excess of a fee charged for similar treatment of an injured individual of an equivalent standard of living, consider the increased security of payment, or otherwise satisfy the requirements of Texas Labor Code §413.011(d) or Division rule at 28 TAC §134.1.

The request for reimbursement is not supported. Thorough review of the documentation submitted by the requestor finds that the requestor has not demonstrated or justified that payment of the amount sought would be a fair and reasonable rate of reimbursement for the services in dispute. Additional payment cannot be recommended.

4. HCPCS code E0781 is described as "Ambulatory infusion pump, single or multiple channels, with administrative

equipment, worn by the patient.” Division rule at 28 TAC §134.201, DME GROUND RULE IX, C, titled Billing states fair and reasonable rate will be the fees set in the 1991 MFG. A review of the 1991 MFG does not contain a comparable HCPCS code for this service; therefore, this HCPCS code is applicable to fair and reasonable reimbursement.

The requestor’s rationale for increased reimbursement from the Table of Disputed Services does not discuss or explain how additional payment of \$174.11 for HCPCS code E0781 would result in a fair and reasonable reimbursement.

- The requestor did not submit documentation to support that the payment amount being sought is a fair and reasonable rate of reimbursement.
- The requestor does not discuss or explain how payment of the requested amount would ensure the quality of medical care, achieve effective medical cost control, provide for payment that is not in excess of a fee charged for similar treatment of an injured individual of an equivalent standard of living, consider the increased security of payment, or otherwise satisfy the requirements of Texas Labor Code §413.011(d) or Division rule at 28 TAC §134.1.

The request for reimbursement is not supported. Thorough review of the documentation submitted by the requestor finds that the requestor has not demonstrated or justified that payment of the amount sought would be a fair and reasonable rate of reimbursement for the services in dispute. Additional payment cannot be recommended.

5. HCPCS code E0236 is described as “Pump for water circulating pad.” Division rule at 28 TAC §134.201, DME GROUND RULE IX, C, titled Billing states fair and reasonable rate will be the fees set in the 1991 MFG. This HCPCS code is comparable to MFG 1991 HCPCS code “D0368-Pump for water-circulating pad.” Per the 1991 MFG, HCPCS code D0368 has a purchase price of \$490.20. The insurance carrier paid \$406.33. The requestor is entitled to the difference between \$490.20 and amount paid of \$406.33 = \$83.87.
6. HCPCS code E0114 is described as “Crutches underarm, wood, adjustable or fixed, pair, with pads, tips and handgrips.” Division rule at 28 TAC §134.201, DME GROUND RULE IX, C, titled Billing states fair and reasonable rate will be the fees set in the 1991 MFG. This HCPCS code is comparable to MFG 1991 HCPCS code “D0615-Crutches, wood (pr).” Per the 1991 MFG, HCPCS code D0615 has a purchase price of \$35.10. The insurance carrier paid \$35.60. As a result, the amount ordered is \$0.00.
7. HCPCS code E0105 is described as “Cane, quad or three prong, includes canes of all materials, adjustable or fixed, with tips.” Division rule at 28 TAC §134.201, DME GROUND RULE IX, C, titled Billing states fair and reasonable rate will be the fees set in the 1991 MFG. This HCPCS code is comparable to MFG 1991 HCPCS code “D0602-Cane, quad.” Per the 1991 MFG, HCPCS code D0602 has a purchase price of \$52.79. The insurance carrier paid \$36.86. As a result the amount ordered is \$15.93.

Conclusion

For the reasons stated above, the division finds that the requestor has established that additional reimbursement is due. As a result, the amount ordered is \$99.80.

PART VI: DIVISION ORDER

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code §413.031 and §413.019 (if applicable), the Division has determined that the requestor is entitled to \$99.80 reimbursement for the services involved in this dispute. The Division hereby **ORDERS** the respondent to remit to the requestor the amount of \$99.80 plus applicable accrued interest per Division rule at 28 Tex. Admin. Code §134.803, due within 30 days of receipt of this Order.

ORDER:

Authorized Signature

Medical Fee Dispute Resolution Officer

May 26, 2010

Date

PART VIII: YOUR RIGHT TO REQUEST AN APPEAL

Either party to this medical fee dispute has a right to request an appeal. A request for hearing must be in writing and it must be received by the DWC Chief Clerk of Proceedings within **20** (twenty) days of your receipt of this decision. A request for hearing should be sent to: Chief Clerk of Proceedings, Texas Department of Insurance, Division of Workers Compensation, P.O. Box 17787, Austin, Texas, 78744. **Please include a copy of the Medical Fee Dispute Resolution Findings and Decision** together with other required information specified in Division rule at 28 TAC §148.3(c).

Under Texas Labor Code §413.0311, your appeal will be handled by a Division hearing under Title 28 Texas Administrative Code Chapter 142 Rules if the total amount sought does not exceed \$2,000. If the total amount sought exceeds \$2,000, a hearing will be conducted by the State Office of Administrative Hearings under Texas Labor Code §413.031.

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.